

# Instructions for CNIPS Financial Reporting for School Nutrition Programs



MAY, 2014

## What?



THIS REPORT IS A SUMMARY OF REVENUE AND  
EXPENDITURES IN FOOD SERVICE FOR THE  
PERIOD ENDING JUNE 30 OF EACH YEAR (AFTER  
MONTH 13).

**YOU WILL REPORT THIS EVERY YEAR BY  
AUGUST 1**

## WHY?

- Due to misunderstandings last year and the extra burden of reporting twice a year, we will now report once a year.
- The resource management portion of the administrative review is based on the last year's revenues and expenditures.
- Hopefully, with the new reporting system everyone will be on the same page!

## When?

- Financial Reporting to School and Community nutrition in CNIPS will be required annually by August 1.



## Where?

- Reporting will be done in the SNP Financial Statement contained in CNIPS
- Each district will be required to enter the information into the financial statement



## How?

Before completing the financial statement the following reports from MUNIS should be available:

- Balance sheet and year to date budget report for month 13 with expenditures and revenues
- Revenues will be reported as program or non-program
- Expenditures will be reported as program or non-program.



## Resource Management

- Program Expenditures (costs) are those used for reimbursable meals.
- Non-Program Expenditures (costs) are all other foods sold. Examples would be adult meals, a la carte sales, catering, etc.
- The proportion of total revenue from the sale of non-program foods to the total revenue of the school food service account should be equal to or greater than the proportion of total food costs associated with obtaining non-program foods to the total costs from the account.

## Non program Revenue Tool

### REGULATIONS

- Final Rule: Nutrition Standards in the National School Lunch and School Breakfast Programs (1/26/12) **NEW**
- Final Rule: Cooperation in USDA Studies and Evaluations, and Full Use of Federal Funds in Nutrition Assistance Programs Nondiscretionary Provisions of the Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296 (6/29/11)
- Interim Rule: National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010 (6/17/11)
  - Guidance on Paid Lunch Equity and Revenue from Non-program Foods
  - Paid Lunch Equity Pricing Tool (Excel file)
  - Non-program Revenue Tool (Excel file)
  - Paid Lunch Equity Webinar (pdf)



- The tool can be easily downloaded and saved to your computer. There are separate tabs for instructions and for the calculator tool.
- **Implementing Section 206 Revenue from Nonprogram Food**
- All LEAs must complete these revenue calculations. If the proportion of revenue is equal to or greater than the proportion of the food costs, no additional action is needed. If it is not, the LEA must review the prices charged for non-program foods and make necessary adjustments.
- LEAs must begin to implement systems which track non-program food costs separately from program food costs, as well as non-program food revenue by the end of the 2011-12 school year. If the LEA is not already tracking these costs separately, a representative month from the remaining 2011-12 school year multiplied by the number of months in the school year would be used as a starting point. If the proportion of non-program food revenue is less than the proportion of non-program food costs, prices must be increased for the 2012-13 school year.
- **Resources**
- ☐ NFSMI Financial Management Information System
- Guidance on non-program food pricing and school food service account management from the National Food Service Management Institute. (Page 72)
- <http://www.nfsmi.org/documentlibraryfiles/PDF/20080225031916.pdf>
- Also, USDA Food and Nutrition Service plans to additional resources and guidance in the future.



- **February 23, 2012**
- **CNR Update: Revenue from Non-program Foods**
- This Child Nutrition Reauthorization Update provides new information about Section 206 of the Healthy, Hunger-Free Kids Act of 2010, Revenue from Non-program foods.
- The United States Department of Agriculture (USDA) released updated guidance on this topic in USDA memorandum SP 39-2011. The memorandum is attached to this e-mail for your convenience and the interim rule is located at:
- [http://www.fns.usda.gov/cnd/Governance/Legislation/CNR\\_2010.htm](http://www.fns.usda.gov/cnd/Governance/Legislation/CNR_2010.htm)
- **Non-program Foods**
- Non-program foods are defined as foods sold in schools participating in the National School Lunch Program (NSLP) and School Breakfast Program (SBP) other than a reimbursable meal and purchased using funds from the non-profit school food service account. Examples of non-program foods include:
  - ☐ A la carte items sold in competition with school meals (beverages and food).
  - ☐ Additional reimbursable foods such as an extra slice of pizza or carton of milk.
  - ☐ Adult meals.
  - ☐ Items purchased for fund raisers, vending machines, school stores, etc.
  - ☐ Items purchased for catering and vended meals.

- **Definitions**

- ☐ Total Food Costs

- Total food costs include the cost of food for reimbursable meals and non-program foods purchased with the school food service account. It is only the cost of the food. If an item is prepared from a recipe, only the price of the ingredients is used to calculate food costs. Labor is not included.

- ☐ Total Revenue


- Total Revenue is all funds that accrue to the nonprofit school food service account. This includes but is not limited to:

- o Federal reimbursement for school meals.
- o State or local funds, such as per meal subsidies and State revenue matching funds.
- o Student payments for reimbursable meals and a la carte sales.
- o Payments for items purchased for fund raisers, vending machines, etc.
- o Income from catering, adult meals, vended meals, etc.
- Federal reimbursement from at risk suppers or summer feeding

## Non-Program Revenue Tool

- **Non-program Revenue Tool**

- The USDA has developed a tool to help LEAs calculate the amount of revenue required to meet the new requirements. To use the tool, the LEA must collect the cost of both program and non-program food and the total revenue from the previous school year. Based on these amounts, the tool will calculate the minimum amount of revenue from non-program foods that is required to meet this requirement. The tool will also calculate the additional revenue, if any, needed to comply. The tool is located at:
- [http://www.fns.usda.gov/cnd/Governance/Legislation/CNR\\_2010.htm](http://www.fns.usda.gov/cnd/Governance/Legislation/CNR_2010.htm)



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**Nonprogram Food Revenue Tool Instructions**

The Nonprogram Food Revenue Tool was created to help SFAs calculate the amount of revenue required to meet the new requirements in Section 206 of the Healthy, Hunger-Free Kids Act of 2010.

To use the tool, an SFA must collect the cost of both program and nonprogram food and the total revenue for the previous school year.


To calculate the amount of revenue from nonprogram food required to meet this requirement, an SFA must:

1. Enter the cost of food for reimbursable meals in the previous school year in the **Cost for Reimbursable Meal Food** row.
2. Enter the cost of nonprogram food from the previous school year in the **Cost of Nonprogram Food** row.
3. Enter the revenue from nonprogram foods from the previous school year in the **Total Nonprogram Food Revenue** row.
4. Enter the total revenue from the previous school year in the **Total Revenue** row.

Based on these amounts, the tool will calculate the minimum amount of revenue from nonprogram foods that is required to meet this requirement. The tool will also calculate the additional revenue, if any, needed to comply.

These figures will appear in the **Minimum Revenue Required from the Sale of Nonprogram Foods** and the **Additional Revenue Needed to Comply** rows.

SFAs can now compare their nonprogram food revenue to this required amount to determine if they are in compliance with this requirement.



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Nonprogram Revenue Calculator		
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue		
<a href="#">Cost for Reimbursable Meal Food</a>		
<a href="#">Cost of Nonprogram Food</a>		
<a href="#">Total Food Costs</a>	\$	-
<a href="#">Total Nonprogram Food Revenue</a>		
<a href="#">Total Revenue</a>		
Minimum portion of revenue from nonprogram funds		0%
Minimum Revenue Required from the Sale of Nonprogram Foods	\$	-
Additional Revenue Needed to Comply	\$	-

\* Click on the hyperlink to view a definition of the term.

## Non Program Revenue Calculator

- The non program revenue calculator will be due to SCN at the same time as the CNIPS financial report on August 1. The information will be from the previous school year.
- A presentation for completion of the calculator is available on the SCN website.



You will go to SNP Financial Report List

**School Nutrition Programs** KENTUCKY DEPARTMENT OF EDUCATION

Applications | Claims | Compliance | Reports | Security | Search | Programs | Year | Help | Log Out

Applications > Financial Report List > School Year: 2012 - 2013

**SNP Financial Report List**

10001 Status: Active  
**Allen County**  
 DBA:  
 570 OLIVER ST  
 SCOTTSVILLE, KY 42164-7955  
 Type of Agency: Educational Institution  
 Type of SNP Organization: Public

Actions	Version	School Year	Reporting Period	Received Date	Status
Not Available	N/A	2012-2013	Jan - Jun 2013		Not on File
Add		2012-2013	Jul - Dec 2012		Not on File
Not Available		2011-2012	Jan - Jun 2012		Not on File
Add		2011-2012	Jul - Dec 2011		Not on File

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Add Reporting Period July through June 2014



## New Financial Report in CNIPS

Due Date: 08/01/2014

REVENUES AND EXPENDITURES		
1. Opening Fund Balance	\$ 203,678.39	B
2. Revenues for Reporting Period		
a. Program Revenues	\$ 228,644.25	
b. State Matching Requirement	\$ -	
c. Federal Reimbursement	\$ 578,936.54	
d. Nonprogram Revenue	\$ 13,854.07	
e. Total Revenues - Items 2: (a + b + c + d)	\$ 821,434.86	
f. Percent Program Revenues = Items 2: (a + b + c) / e	98.31%	
g. Percent Nonprogram Revenues = (100 - Item 2f)	1.69%	
3. Expenditures for Reporting Period		
a. Program Food Expenditures	\$ 440,093.27	
b. Nonprogram Food Expenditures	\$ 276,511.31	
c. Salaries	\$ 60,201.25	
d. Employee Benefits	\$ 19,929.91	
e. Purchased Services	\$ -	
f. Equipment Purchase	\$ 23,198.07	
g. Supplies/Miscellaneous	\$ -	
h. Indirect Costs (if applicable)	\$ -	
i. Total Fund Expenditures = Items 3: (a + b + c + d + e + f + g + h)	\$ 819,933.81	
4. Closing Fund Balance = (Item 2e + Item 1 - Item 3i)	\$ 205,179.44	C
5. Gain or Loss = (Item 2e - Item 3i)	\$ 1,501.05	D
6. Three Month Average Operating Cost = (Item 3i / 4)	\$ 409,966.91	E
7. Cash Balance (Account 6101)	\$ 173,479.37	F
8. Excess Balance = (Item 7 - Item 6)	\$ -	G
9. Indirect Cost Rate	10.7100%	
10. Indirect Cost for Food Service Operation = Items 3:(c + d) * Item 9	\$ 8,582.05	

## Financial Reporting

- 1. Each sponsor will need to enter the opening fund balance (not cash balance). The beginning fund balance will come from June 30 (period 13) of the previous year.
- 2. Revenues:
  - a. Program revenues are those collected from reimbursable meals. (N/A for CEP schools)
  - b. State matching reimbursement is sent once a year (usually in April)
  - c. Federal reimbursement is received monthly-only include reimbursement received for NSLP breakfast, lunch, after school snacks and FFVP.

## Financial Reporting

- D. Non-program revenue is any revenue received other than federal reimbursement-should include SFSP and CACFP at risk suppers, a la carte, adult meals, etc.
- E. Total revenues are reported from a,b,c,d
- F and G are automatically calculated by CNIPS

## Program and Non Program Revenues

- Program revenues are revenues collected for reimbursable breakfasts, lunches or snacks
- Non-program revenues are revenues from any other source; for example, adult meals, a la carte sales, catering or special functions




## SNP Financial Report

- Expenditures for Reporting Period:
  - a. Program Food Expenditures are those used to produce reimbursable meals. (see guidance for calculating)
  - b. Non program expenditures are those used for anything other than reimbursable meals or snacks.
  - c. Salaries are direct labor paid from food service
  - d. Employee benefits are those paid by the employer (school district-does not include on behalf payments)

## SNP Financial Report

- e Purchased services are those done by a company, such as pest control
- f. Equipment purchase is any equipment over \$5,000 (non expendable)
- g. Supplies/miscellaneous are anything under \$5,00-should be expendable.
- h. Indirect costs (if applicable)-complete only if indirect cost is paid to the general fund
- i. Total Fund Expenditures are calculated by adding a through h.

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- 4. Closing Fund Balance=Item 2e plus Item 1-Item 3
  - 5. Gain or loss =Item 2e-Item 3 (will be positive or negative)
  - 6. Three Month Average Operating Cost=Item 3 I divided by 4
  - 7. Cash Balance is account 6101 on balance sheet (actual cash in bank)
  - Excess balance=Item 7-Item 6. If item 7 is more than item 6 then there is an excess balance in food service account and you will be contacted to tell us how you intend to lower the balance

## SNP Financial Report



- 9. Enter the indirect cost rate provided by KDE or if a Private non profit or RCCI use a rate of 10%
- 10 Indirect cost for food service operation=Item 3(c+d) times indirect cost rate

## Financial Reporting

- Even though financial reporting to SCN will take place every year, you are still responsible for daily and monthly financial reports
- Daily cash and count should still be printed and second-partied daily
- Monthly financial reports should be kept on file
- The D-Packet is no longer used for reporting purposes. Can be used to track your monthly finances for your purposes.
- For those without a computerized program parts of the D-packet may still be used

## Financial Reporting Misc.

- The D-5 (or equivalent) should still be used
- Inventory must be kept monthly.



## Financial Reporting

- All financial records for food service should be kept for three years plus the current year
- Financial records will be reviewed during the administrative review (three year cycle now)

